



January 31, 2011

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

**RECEIVED**

FEB - 7 2011

PUBLIC SERVICE  
COMMISSION

Re: Case No. 2010-00521  
Kentucky Frontier Gas, LLC

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC dba, Mike Little Gas Company, Inc. (MLG) please find the attached revised tariff sheets as directed by Order 2010-00521.

If you have any questions, please call me at 303-422-3400.

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba MIKE LITTLE GAS COMPANY, INC.

Dennis R. Horner  
Kentucky Frontier Gas, LLC

Enclosure: Revised Tariff Case No. 2010-00521



Company Name

Mike Little Gas Company, Inc.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: December 28, 2010

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Date Rates to be Effective: February 1, 2011

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Reporting Period Ending: October 31, 2010

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Mike Little Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

	<u>Component</u>	<u>Unit</u>	<u>Amount</u>
	Expected Gas Cost (EGC)	\$/Mcf	\$ 6.3795
+	Refund Adjustment (RA)	\$/Mcf	-
+	Actual Adjustment (AA)	\$/Mcf	1.7118
+	Balance Adjustment (BA)	\$/Mcf	-
=	Gas Cost Recovery Rate (GCR)		8.0913

GCR to be effective for service rendered from August 1, 2010 to October 31, 2010

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 131,277.84
/	Sales for the 12 months ended <u>October 31, 2010</u>	Mcf	20,578
=	Expected Gas Cost (EGC)	\$/Mcf	6.3795

B	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch. III)		\$ -
+	Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
+	Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
+	Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
=	Refund Adjustment (RA)	\$/Mcf	-

C	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Sch. IV)	\$/Mcf	\$ (0.1179)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0897
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.6188
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 1.1212
=	Actual Adjustment (AA)	\$/Mcf	\$ 1.7118

D	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf	\$ -
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	-
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	-
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	-
=	Balance Adjustment (BA)	\$/Mcf	-

Mike Little Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual MCF Purchases for 12 months ended October 31, 2010

(1) Supplier	(2) Dth	(3) BTU Conversion	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Quality			28,008	\$ 5.7750	\$ 161,746.20
Columbia Gas of KY			4,670	\$ 7.7731	\$ 36,300.38
					\$ -
Totals			32,678		\$ 198,046.58

Line loss 12 months ended October, 2010 on purchases of 32,678  
and sales of 20,578 = 37.03%

Total Expected Cost of Purchases (6)	Unit	Amount
	\$	\$ 198,046.58
/ Mcf Purchases (4)	Mcf	32,678
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.0605
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	21,661
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 131,277.84

\* Excessive line loss is under investigation and suspected to be due to metering error.

\*\* Gas supply switched to Quality beginning in July.

Quality EGC rate is calculated as follows: NYMEX futures for Feb. (\$4.1330/Dth),  
Mar. (\$4.1490/Dth) and Apr. (\$4.1520) = average \$4.1446/Dth x 80% = \$3.3156/Dth  
plus \$1.02/Dth (EQT transportation) = \$4.3356/Dth + 11% (fuel charge) = \$4.8125/Dth x 1.2 Dth/Mcf = \$5.7750/Mcf  
Columbia Gas IUS rate - Case No. 2010-00424

Mike Little Gas Company, Inc.

Schedule IV  
Actual Adjustment

For the 3 month period ending October 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>
Total Supply Volumes Purchased	Mcf	416	428	657
Total Cost of Volumes Purchased	\$	\$ 2,844	\$ 2,754	\$ 4,120
(divide by) Total Sales (not less than 95% of supply)	Mcf	395	407	972
(equals) Unit Cost of Gas	\$/Mcf	\$ 7.1964	\$ 6.7732	\$ 4.2387
(minus) EGC in effect for month	\$/Mcf	\$ 6.8165	\$ 6.8165	\$ 6.8165
(equals) Difference	\$/Mcf	\$ 0.3799	\$ (0.0433)	\$ (2.5778)
(times) Actual sales during month	Mcf	244	306	972
(equals) Monthly cost difference	\$	\$ 92.68	\$ (13.24)	\$ (2,505.64)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (2,426.19)
(divide by) Sales for 12 Months ended July 31, 2010	Mcf	20,578
(equals) Actual Adjustment for the Reporting Period		\$ (0.1179)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (0.1179)